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# Intelligence Memorandum

## *Demographic Aspects of the Arab-Israeli Dispute*

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CENTRAL INTELLIGENCE AGENCY  
Directorate of Intelligence  
24 August 1973

INTELLIGENCE MEMORANDUM

Demographic Aspects of the  
Arab-Israeli Dispute

Summary

The dream of the Zionist fathers was to establish a sovereign independent homeland to which Jews in the Diaspora could come and live in peace, free from discrimination. Since Israel was established in 1948, instead of peace with their Arab neighbors the Jews have found 25 years of continuing hostility. Today, few Israelis believe that peace is close; indeed, some Israelis wonder if the Arabs ever intend to accept and make peace with the state of Israel. Since the 1967 war a new problem has arisen; i.e., the demographic threat posed by Arabs living inside the cease-fire lines.

The threat stems from Israel's control of about 1.5 million Arabs, those in occupied territories and in pre-war Israel itself, and from the almost inexorable intertwining of the two areas. In the future, the Arab population is apt to grow more rapidly than the Jewish population. The former is based on the high Arab birth rate, twice that of the Israelis, while Israeli growth is heavily dependent upon immigration, the rate of which is basically downward. Population projections indicate that if Israel holds onto the Arab territories for 25 years there will be roughly 40 Arabs to every 60 Jews. Israel is already faced with a drift toward a mixed population because there are more Oriental Jews than

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Jews of Western origin in Israel as well as some 400,000 Arabs within Israel proper.

Thus, one of the basic questions facing Tel Aviv is whether Israel will, as some want, be a relatively small primarily Jewish state, or, as others want, be a larger but increasingly mixed Jewish-Arab state. In the absence of a peace settlement with the Arabs, a kind of territorial imperative operates in Tel Aviv. This being so, Jewish control inside the cease-fire lines will come to depend more and more on either denying the Arabs political rights or goading them into leaving.

The question dominates the domestic political battle between the hawks and the doves over what would constitute a reasonable peace settlement. While the Israelis agitate this question, the mixing process goes on. In time, the use of Arab labor and the ever-increasing economic and social ties between Israel and the occupied territories will be exceedingly difficult, if not impossible, to unravel. Most Israelis believe that time is on their side, but more of them are becoming aware of the demographic time bomb ticking away inside the cease-fire lines. It could at some point stimulate those Israelis who want to preserve Israel as a democratic, Jewish bastion to step forward to urge compromises to get peace with the Arabs.

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Population of  
Israel and the Occupied Territories  
End of 1971 (Estimated)

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ISRAEL	POPULATION
Jews	2,636,600
Non-Jews	458,500
<u>Total</u>	3,095,100

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OCCUPIED TERRITORIES (All non-Jews)

Judea & Samaria	
(West Bank)	625,600
Gaza & North Sinai	381,800
<u>Total</u>	1,007,400

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Dimensions of a Problem

We should be prepared that there won't be peace for a long time and that we shall live with the (occupied Arab) territories and their inhabitants...

Minister of Police Shlomo Hillel, quoted by *Ma'Ariv*, 20 April 1973

Hillel's remark expresses the general Israeli belief that the chances of obtaining a peace settlement from the Arabs are practically nil, except on terms unsatisfactory to Israel. The Israelis think that it is for the Arabs, not the Israelis, to make the basic concessions; until the Arabs do so, Tel Aviv will hold fast on the cease-fire lines and remain in control of the occupied Arab territories. These territories are four times the size of pre-1967 Israel and give the Jewish state a population of almost 1.5 million Arabs, including the Arabs in annexed East Jerusalem and in Israel proper.

Hillel did not attempt to sketch out the eventual relationship between the Jewish state and the occupied Arab territories. In the absence of a peace settlement, however, the inexorable intertwining of peoples and economies goes on. Unless something intervenes, Israel seems to be headed for a kind of colonial relationship with the Arabs of the occupied territories. In 25 years, the Jewish majority will be faced with a sizable Arab minority; a generation beyond that, the Arab population could equal the Jewish. To maintain Jewish control, Tel Aviv would be forced either to deny political rights to their Arab wards or goad the Arabs into leaving. Few Israeli leaders face up to the problem, and none appear ready to act on the possibility that, in the long term, the fecund Arab population inside the cease-fire lines may pose a greater threat to the Jewish state than the impotent armies ranged outside them.

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The question which even now confronts Israeli leaders is whether to maintain a solidly Jewish state by hedging out areas heavily settled by Muslim and Christian Arabs or to extend the state and take in more land and more Arabs. The first alternative projects a relatively small but almost exclusively Jewish state in the Zionist image--a kind of fortified Jewish ghetto in the Middle East--but a state in which there is no question of Jewish control. The second projects a larger solidly bi-national state, with the Israelis clearly dominant--at least in the beginning--but one in which their control will be in time contested and perhaps diluted by their Arab wards.

#### The Arab as Threat

The outcome of the Israeli military victory of June 1967 was wholly unexpected to Tel Aviv in that no European-model peace negotiations followed. Instead, the overwhelming decisiveness of the Arab defeat and their humiliation produced a stubborn refusal to negotiate, catalyzed a resumption of irregular (fedayeen) warfare, led to intermittent clashes between regular forces, and inspired renewed calls for liberation of the occupied lands. The Arab reaction has convinced the Israelis that the Arabs are not ready to make genuine peace and may not be ready for many years. Mrs. Meir, at the celebration of Israel's 25th anniversary in May, could only express hope that there would be peace in the next 25 years, but she did not sound optimistic. Defense Minister Dayan said on 15 June that no Arab state, including Jordan, is interested in real peace with Israel.

Willy-nilly, Israel is likely to remain in control of all the occupied territories for some time to come. The Arabs probably will not or cannot make peace with Israel without the return of most of these territories. In Israel, the coalition parties are so bitterly divided on what should be held and what returned that the government has consistently side-stepped the issue, arguing that Israelis should not fight among themselves when there is no evidence of concessions from the Arab side.

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This being so, demographic factors, some short-term, some long-term, point to eventual changes in the state of Israel as a primarily Jewish enclave. If these factors continue in force over a period of time the Jewish state could be diluted and even absorbed by the Arabs, even though the rate of population growth of Jews and Arabs in Israel and the occupied territories is now about the same. Some of the factors in the Arab demographic threat are:

- The Arab growth rate is based solely on a high birthrate, but the Israeli growth rate depends heavily on immigration.
- Despite the current upsurge in the numbers of Jews from the Soviet Union, the trend in immigration to Israel is down; Jews from the affluent West are no longer settling in Israel in large numbers; most of the Oriental Jews (from Asia and Africa) who can reach Israel are already there. Emigration from Israel is a problem and, somewhat surprisingly, includes some native-born Israelis.
- Since the early 1960s, Jews of Oriental origin have outnumbered Jews of Western origin, the Ashkenazim. The Oriental Jews, except for their Judaism, are basically Arabic in culture and outlook. Poorly educated, unskilled, and burdened with large families, they stand near the bottom of the social and economic ladder. The Ashkenazim, who have a monopoly on political and economic power, have sought to narrow the gap through education, technical training, and the military "mixing machine," but progress has been slow. Most Oriental spokesmen want to see first the economic and then the political gap closed, but some resist the Ashkenazim policy of trying to recast the Oriental in the Ashkenazim mold. "Why," the Oriental asks, "is the Ashkenazi the accepted norm?" The Oriental culture,

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with its Arab cast, might serve as a bridge to the Arab world--or so they argue.

The US Census Bureau estimates that the proportion of Arabs to Jews behind the cease-fire lines would in 25 years be close to 39 to 61. According to the Census Bureau, the Jewish population at the end of 1997 would be about 5 million, and the Arab population (including Israeli Arabs) a little over 3 million.

A study of the average number of daughters born to women of the various groups in Israel (a standard measure of fertility) was published by the Israeli Central Bureau of Statistics in 1970. According to the study, the Arab Moslem woman (in Israel) was twice as fertile as the Christian Arab woman (Arab Christians represent only about 20 percent of the Israeli Arab population). Within the Jewish group, the fertility sequence from high to low was: Oriental Jew, the Sabra (native-born) next, and Western or Ashkenazi Jews at the bottom.

Average Number of Daughters

	Arabs		Jews		
	Moslems	Christians	Oriental	Locally-born	Western
1955	3.95	2.42	2.77	1.38	1.28
1967	4.18	1.94	2.04	1.31	1.16
1968	4.39	1.97	2.09	1.38	1.28

It is this combination of high Arab fertility rate, low (relative to Arabs) Jewish rate, and declining trend in Jewish immigration that spells trouble for the Jewish majority over the long run.

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In August 1972, the US Embassy in Tel Aviv projected this demographic problem over a 50-year rather than a 25-year span of time. The embassy assumed three hypothetical situations, with varying rates of immigration to Israel and changes in the rates of natural increase of the various groups involved. The Embassy's calculations also assumed that the Israelis had annexed the West Bank, the Gaza Strip, and North Sinai in 1970.

In the "Best Case," i.e., the one most favorable to the Israelis, the embassy calculated that Israel would still have a Jewish majority in 2020--in 50 years--of 64.1 percent. This "Best Case" assumed a 2.4 percent birth rate for Arabs in the occupied territories (about right), a 3 percent rate for Israeli Arabs (low), a Jewish rate of 1.7 percent (about right), and a net immigration of 40,000 Jews per year (high).

In the "Worst Case" (i.e., the least favorable to the Israelis), the embassy determined that there would be an Arab majority of 51.4 percent in 50 years. This "Worst Case" assumes a rate of 3 percent natural increase for Arabs in the occupied territories (a little high), a rate of 3.8 percent for Israeli Arabs and a Jewish rate of 1.7 percent (both about right), and a net immigration of only 10,000 per year (low).

In between the "Best" and "Worst" cases, the embassy found a "Better Case" with an immigration rate of 30,000 per year, a natural increase rate for Arabs in the territories of 2.4 percent, Israeli Arabs 3.8 percent, and Jews 1.7 percent. Under these conditions, Israel in 50 years would have a Jewish majority of 59.9 percent.

The embassy concluded that Israel could annex the West Bank, the Gaza Strip and North Sinai and still maintain a Jewish majority as long as 30,000 immigrants came every year, but that it probably could not do so over 70 years. By 2040, Jews would no longer be in the majority unless there were a

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decline in the Arab rate of natural increase, an increase in the Jewish birth rate, record levels of Jewish immigration, or substantial Arab emigration. The embassy also concluded that if Israel returned all of the occupied Arab territories except East Jerusalem, the ratio in 25 years would be in the range of 81 Jews to only 19 Arabs, and it would be 100 years before Israel could have an Arab minority as high as 46 percent.

#### Possible Consequences

Demographic projections like this are of course of dubious utility. One conclusion, however, seems inescapable. Israel as it is now constituted is heading in the direction of a Jewish-Arab state; whether it gets there in 25 years or 100 depends on how much of the populous Arab areas remain under Israeli rule. Israel can avoid this bi-nationalism if it can bring off a peace settlement in good time by making sufficient concessions to entice the Arabs into negotiations.

In the absence of a peace settlement, the interweaving of the lives of Jews and Arabs will proceed and the Israelis will consolidate their hold on the territories. Almost 50 Israeli settlements have already been established in the occupied territories, and some 4,500 Israelis live beyond the pre-1967 borders. There are 35 labor exchanges in the territories. Some 60,000 Arab workers come daily into Israel to work, while another 10-15,000 probably come in without official permits. About 50 percent of these Arabs work in construction, 25 percent in agriculture, 15 percent in industry, most of the rest in services. While the Arabs make up only about 5 percent of the labor force in Israel, each side is becoming dependent on the other--the Arabs for their wages and for social benefits, the Israelis for markets and relief of their perennial labor shortage. Mrs. Meir, commenting on Arab workers in a recent press interview, said, "What worries me is that we are getting used to them so fast."

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The Need for Immigration

The creation of a refuge for the exiles in the Diaspora was and is the raison d'etre of Israel. The Zionist theory was that the establishment of a Jewish state would allow all Jews to return to their ancient homeland, thus removing the blight of anti-Semitism. In fact, less than 20 percent of the world's Jewish population has come to settle in Israel. Former prime minister David Ben Gurion--a proponent, along with Dayan, of extensive Jewish settlement in the Arab territories, said recently, "The Jewish state does not yet exist....It requires another six or eight million Jews."

The average annual gross immigration to Israel, according to figures published by Tel Aviv, was 35,363 for the 1952-1969 period. These figures do not tell the whole story; there has also been a consistent problem of emigration from Israel. The Israeli Central Bureau of Statistics has estimated that from 1948 to 1968 an average of 11,000 left Israel each year. The US Embassy reports that emigration is still running at 9,000-10,000 a year. Together with other factors, these figures indicate a net immigration of about 30,000 per year. Moreover, those leaving are mostly the Western Jews Israel would like to keep.

Where can Israel get the immigrants it needs? The affluent Western Jew does not settle in Israel in large numbers; he has rejected the Zionist call for "Aliya" (literally the "ascent"--the ascent to Jerusalem). He is quite willing to give generously of his money and even to visit Israel, but he does not want to live there.

In 1966 and 1967, for example, North America (i.e., US and Canada) and Western Europe provided fewer than 3,000 persons from each area each year. The Six-Day War created euphoria among Jews in the Diaspora and the figures jumped in 1968 to 6,000 and 7,000 from North America and West Europe, respectively. In 1971, the comparable figures were 8,000 and 6,000; in 1972, however, the euphoria was dissipating, and

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the figures dropped to 6,000 from North America and 4,675 from West Europe. Latin America in 1966 and 1967 sent on the order of 1,500 annually, some 4,400 in 1972; Asia and Africa each supplied about 3,000 in 1972.

A big boost in immigration in the past two or three years has resulted from the resumption of Jewish emigration from the Soviet Union. The Jewish community in the USSR is estimated at between 2.5 to 3 million, second only to the Jewish community in the US (6 million). Until recently, emigration from the Soviet Union was never very high. The Soviet Deputy Minister of Interior stated in March 1972 that 21,000 Jews had left for Israel since the end of World War II "including about 10,000" in 1971. The minister's figures suggest that in the 25 years from 1945 to 1970, the annual average was some 440 per year.

Beginning in late 1968, Moscow, though pro-Arab in its Middle East policy orientation, began to permit Jews to emigrate again to Israel. Only some 230 left in 1968, but in 1969, some 3,000 emigrated and in 1970, about 1,000. In 1971, the number jumped to about 14,000 and in 1972, some 31,600 Soviet Jews emigrated. The rate so far in 1973 indicates that the level of 1972--i.e., 2,000-2,500 per month--will be maintained. Communist Party Chief Brezhnev said in a press conference on 14 June that 29,800 Soviet Jews had emigrated in 1972 (somewhat under the Jewish Agency figure) and that 11,380 Jews had left the USSR in the first five months of 1973--a monthly average of 2,276. The Israeli Minister of Immigration said in May that 13,000 Jews emigrated from the Soviet Union in the first five months of 1973, again a slightly higher figure.

In August 1972, Moscow, partly in response to Arab pressures, imposed a high exit tax on educated Soviet Jews, but this did not appreciably diminish the number of emigres. Though Moscow suspended the tax early this year, the Soviets can turn off the faucet any time they choose. The significance to

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Israel of the emigration of Soviet Jews is indicated in the fact that almost 57 percent of the 55,856 immigrants to Israel in 1972 were from the Soviet Union.

The Israelis call immigration the "life blood of the state." If so, it is draining away; in the period 1948-1971 it accounted for almost 60 percent of the increase in the Jewish population. In 1971 (the latest official statistics available) the percentage dropped to 37.5 percent.

The Israelis are not long-term planners; one Israeli official was once quoted to the effect that if the Israelis ever looked beyond six months their state would not exist. Israeli leaders are quite aware, however, of the threat contained in the growing Arab population, the lower Israeli birth-rate, the decline in Western immigration, and the hazards of depending on the Soviet Union for immigrants. In 1967 the Israeli Government established a Demographic Office attached to the Prime Minister's office to devise means to increase the Jewish birth rate. The new office has experimented with subsidies for larger families, and day-care centers for children, but no solid program is yet under way.

Such programs take time to produce results and for the present Tel Aviv apparently is more interested in trying to boost immigration. The government has been openly critical of the Jewish Agency, which at one time handled all aspects of immigration. In 1968, some of its functions were transferred to the newly established Ministry of Immigrant Absorption. Under the present arrangement, the Jewish Agency concentrates on recruitment of immigrants while the ministry takes care of them once they are in Israel.

#### Courses of Action

What is Israel to do? Kamal Nasser, one of three Palestinian leaders killed by Israeli commandos in Beirut in April 1973, said in an interview several years ago that he thought Israel was in a worse position than before the June war. The government's

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sovereignty over more than a million Arabs, he said, would not be compatible with the ideal of a state both Jewish and democratic. Theoretically, Nasser said, Israel had three options:

- To exterminate the Palestinians, a course Israel would find "impracticable."
- To withdraw to the pre-war lines, as provided (he said) by UN Security Council Resolution 242, a course Israel was not only unwilling but also unable to follow.
- To wait for the Jewish state to break down, a process that would be precipitated by a massive revolt of Israeli youth and could be hastened by a significant Arab military success.

Nasser was probably right about Israel's reaction to his first two possibilities, but wrong about the third. The idea of the Jewish state is so deeply imbedded in the national psychology that Tel Aviv would certainly take action if the existence of that state were threatened. Israeli officials are all dedicated to the proposition that Israel must remain a Jewish state, and they will fight to the death to keep it so. The Jews returned to Israel to find a refuge and to live a full Jewish life, culturally, economically, socially and nationally. This is only possible within the framework of a Jewish state having an incontestable Jewish majority, now and forever. Both the "doves" and the "hawks" agree on the end, but they differ on the means to it.

The so-called doves--or minimalists--want, as Foreign Minister Eban put it, "a maximum of security with a minimum of Arabs," i.e., keeping only enough territory to assure Israel's security, and with as few Arabs as possible to preserve a Jewish majority indefinitely. The minimalists argue that it would be undemocratic for Israel to annex territory and deny the Arab inhabitants equal rights. They recognize that Israel would cease to be Jewish if they

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did grant such rights. Eban, for example, has said that if Israeli citizenship were given the inhabitants of the West Bank, Arab representatives would make up 35 percent of the Knesset and would control Israel, just as the Labor Party, which has never accounted for more than 38 percent of the Knesset, runs the country now.

The hawks, on the other hand, have a kind of mental blindness toward the Arabs. Dayan says that if he had to choose between returning the territory or giving citizenship to a million more Arabs he would give up the land to preserve the Jewish character of the state. In the same breath, however, he says that if he had to choose between peace and withdrawal he would hang on to the territory. The real question, says Dayan, is not whether a million Arabs should have Israeli citizenship, but what kind of a settlement can be worked out so that the Arabs remain Jordanian while the Israelis control the land.

Dayan does not agree that Israel would be committing "demographic suicide" by staying in the occupied territories. "We have shown that the Arabs can live where the Israel Army rules, while the Jordanians proved from 1948 to 1967 that Jews could not live under their army." Dayan may argue for Arab-Israeli co-existence and for giving the Arab a stake in living under Israeli control but he does not deviate from his position that the Arabs are wards without political rights. For example, he says that Arabs in the West Bank can remain under Jordanian sovereignty and exercise their political rights in Amman.

Other Israelis hope that by encouraging Arab emigration from inside the cease-fire lines and Jewish immigration to Israel, they can have the best of all possible worlds. They can then maintain the Jewish majority and retain the occupied territories. Professor Dov Friedlander, head of the Department of Demography of Hebrew University, has called this idea illusory. He believes that if Israel annexes the occupied territories, it has only two choices

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over the long term: to deny civil rights to the Arabs or to encourage them to leave. The Tel Aviv government cracked down on the American Rabbi Meir Kahane for his letter-writing campaign offering funds to Israeli Arabs if they would leave, but other Israeli officials have indicated privately that Arab emigration may be the best solution, at least for some of the occupied territories.

Those Israelis who think seriously about the issue are vociferously divided on it, yet they appear to be in no hurry to solve it. Like Mrs. Meir, most Israelis hope that "before another 25 years has elapsed, we shall live in peace" as a result of eventual Arab political and territorial concessions. Yet time may not be, as the Israelis believe, on their side, and while they wait patiently and confidently for the Arabs to sue for peace or launch another hopeless war, a demographic Trojan horse sits inside the cease-fire lines.

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